



Commodities Weekly

Issue 34-2023

Date: 01 Oct 2023

Bloomberg Commodity Index

104.84 ▼



Components:

Energy: (WTI Crude Oil, Natural Gas, Brent Crude Oil, Low Sulphur Gas Oil, RBOB Gasoline, ULS Diesel)

Grains: (Corn, Soybeans, Soybean Meal, Chicago Wheat, Soybean Oil, Kansas HRW Wheat)

Industrial Metals: (COMEX Copper, LME Zinc, LME Aluminium, LME Nickel)

Precious Metals: (Gold, Silver)

Softs: (Sugar, Coffee, Cotton)

Livestock: (Live Cattle, Lean Hogs)

Weekly Snapshot

Objective: Recent increase in commodity import and volatility in global market raised the concern for proper management of commodity prices. BRAC Bank Ltd. has always been highly active in introducing different hedging products as well as informing clients with latest market trends. In light of this we are issuing this commodity update to inform our clients about the latest trend and updates in global commodity market.

Commodity	Unit	Closing Price	% Δ Weekly	% Δ MoM	% Δ YoY	YTD High	YTD Low
Wheat	\$/BSH	541.50	▼ -6.56%	▼ -4.58%	▼ -40.63%	797.40	540.00
Sugar	\$/LBS	26.27	▼ -2.60%	▲ 1.78%	▲ 50.80%	27.62	18.92
Soybean	\$/BSH	1,275.00	▼ -1.64%	▼ -5.99%	▼ -7.21%	1,616.50	1,270.75
Palm Oil	\$/Ton	802.39	▲ 2.12%	▼ -7.90%	▲ 10.69%	985.06	730.37
Cotton	\$/LBS	86.86	▲ 3.36%	▼ -3.07%	▼ -5.73%	90.75	75.70
Brent Crude	\$/BBL	95.31	▲ 2.19%	▲ 7.63%	▲ 7.26%	97.69	70.12
LNG	\$/MMBTU	15.00	▲ 7.14%	▲ 15.38%	▼ -61.04%	25.00	9.00
Steel	\$/Ton	704.00	▼ -0.14%	▼ -2.22%	▼ -8.57%	1,200.00	690.00
SHFE Zinc	\$/Ton	2,988.14	▼ -0.16%	▲ 1.98%	▼ -10.24%	3,368.00	2,550.00
Indonesian Coal*	\$/Ton	133.13	0.00%	▼ -26.00%	▼ -59.78%	305.21	133.13
Australian Coal	\$/Ton	305.53	▲ 1.84%	▲ 12.53%	▲ 12.12%	381.00	225.50
Gold	\$/Ozs	1,848.31	▼ -3.98%	▲ 1.59%	▲ 8.77%	2,072.19	1,804.20

*Price published monthly once by Indonesian Govt

Wheat

Last Price

USc **541.50**/BSH

Chicago wheat futures cratered more than 6% on Friday, hitting a three-year low after U.S. government data pegged wheat production above analysts' expectations. Chicago Board of Trade wheat futures [Wv1](#) plummeted 6.4% to \$5.41-1/2 a bushel and hit the lowest level since Sept. 28, 2020, on a continuous chart. It was the sharpest single-day percentage point drop since the middle of March 2022, when global grain markets shook off some of the panic-buying following Russia's invasion of Ukraine. Wheat prices had already been under pressure from ample Russian supplies and signals that Ukraine was managing to find export routes despite Russian attacks on port facilities.

Technical:

Wheat hits 3-year low. Next level to watch 663.25.

Support:

525.00 = Sep 2020 Low

485.75 = Jul 2020 Low

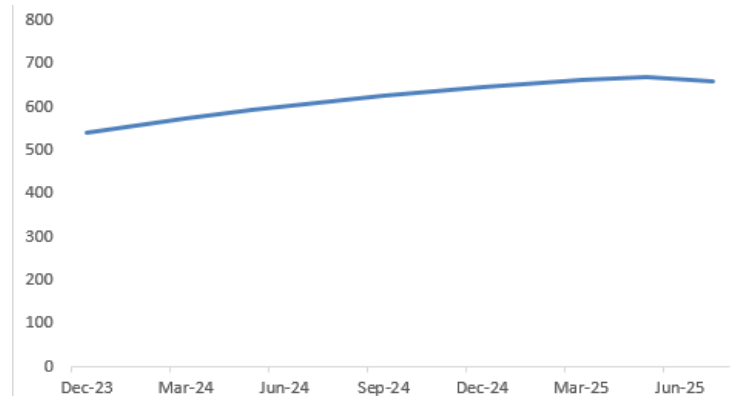
Resistance:

663.25 = Mar 2021 High

718.00 = Jul 2021 High



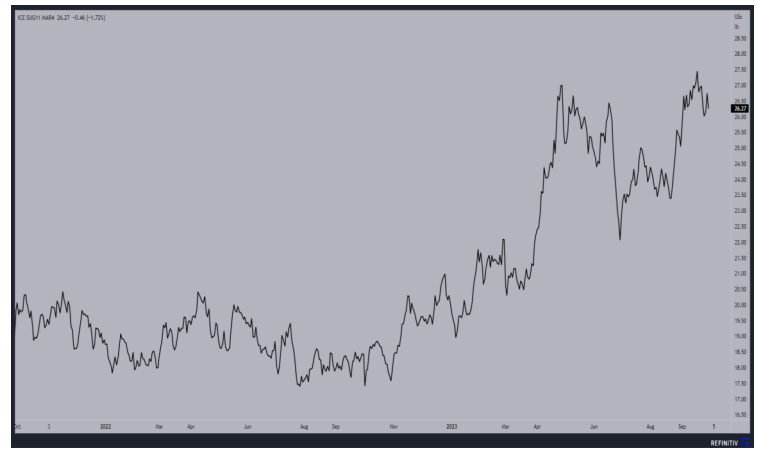
Futures Curve



Sugar

Last Price USc **26.27** /LBS

October raw sugar [SBc1](#) settled down 0.46 cent, or 1.7%, at 26.27 cents per lb. The contract expired on Friday with a [record delivery](#) of 2.87 million metric tons, which is usually seen as bearish signal. The recent run-up in oil prices had not yet triggered a shift in the use of cane in centre-south Brazil. Cane can be used to make either sugar or biofuel ethanol. [Speculators reduced](#) their bullish bets in futures of raw sugar in the week to Sept. 26. December white sugar [LSUc1](#) fell \$10.70, or 1.5%, to \$705.90 a ton.

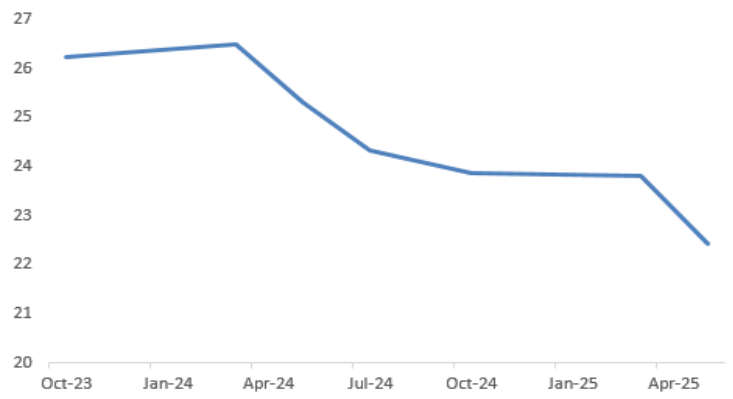


Technical:
 Raw sugar futures slip, next level to watch 27.41.

Support:
 23.90 = Oct 2016 High
 22.36 = Mar 2023 High

Resistance:
 27.41 = Apr 2023 High
 30.21 = Sep 2011 High

Futures Curve



Soybean

Last Price USc **1,275.00**/BSH

Soybean futures dropped on Friday after U.S. government data showed greater domestic soybean stockpiles than analysts expected. The U.S. Department of Agriculture (USDA) said domestic soybean stocks fell to their [lowest in two years](#), at 268 million bushels as of Sept. 1, down from 274 million bushels a year earlier. But the figure was 26 million bushels [above an average](#) of analysts' estimates. CBOT November soybeans [SX3](#) fell nearly 2%, dropping 25-1/2 cents to settle at \$12.75 per bushel, and hit their lowest level since June 30. November soybean futures [SX3](#) retreated sharply from the 100-day moving average where they met significant resistance this week. CBOT December soyoil [BOZ3](#) fell almost 1.9% to settle at 55.83 cents per lb. The contract ended at its lowest settlement price since June 29.



Technical:

Soybeans sell off after US data shows stocks above estimates, next level to watch 1,319.00.

Support:

1,265.00 = Jul 2009 High

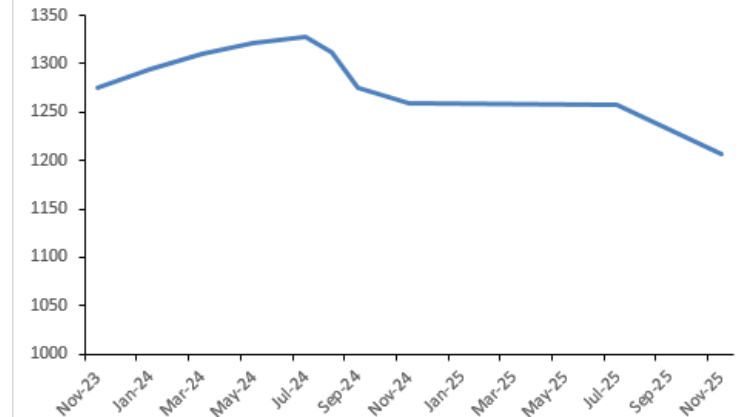
1,216.25 = Dec 2021 Low

Resistance:

1,319.00 = Aug 2023 Low

1,548.50 = Jan 2023 High

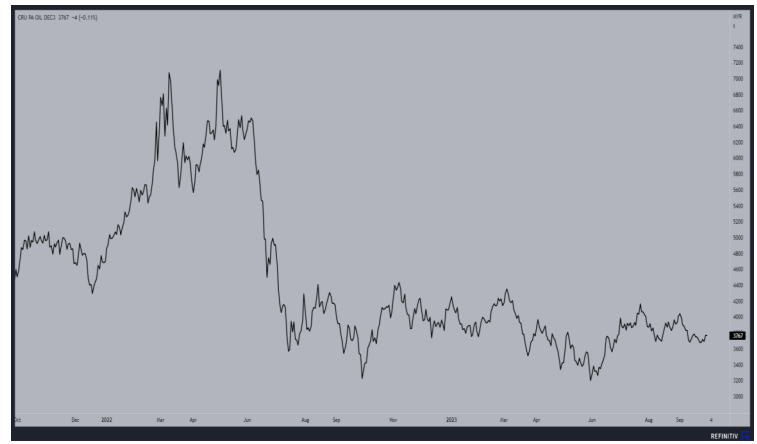
Futures Curve



Palm Oil

Last Price USD **802.39**/Ton

Malaysian palm oil futures closed lower on Friday, reversing their midday gains. However, they recorded a 2.31% weekly gain, compared with last week. The benchmark palm oil contract [FCPOc3](#) for December delivery on the Bursa Malaysia Derivatives Exchange fell 5 ringgit, or 0.13%, to 3,766 ringgit (\$802.39) a metric ton on its closing. Despite a lower morning open, palm saw continuous buying towards midday close. Prices extended a positive streak, driven by the ongoing Globoil conference held in Mumbai, India until Sept. 30. World's largest palm oil producer Indonesia exported [3.52 million metric tons](#) of oil in July, including refined products, up 21.8% from last year. India is likely to start the 2023/24 marketing year with [record inventories of edible oils](#) that will curtail new season imports.



Technical:

Palm closes with 2.31% weekly gain, next level to watch 833.00.

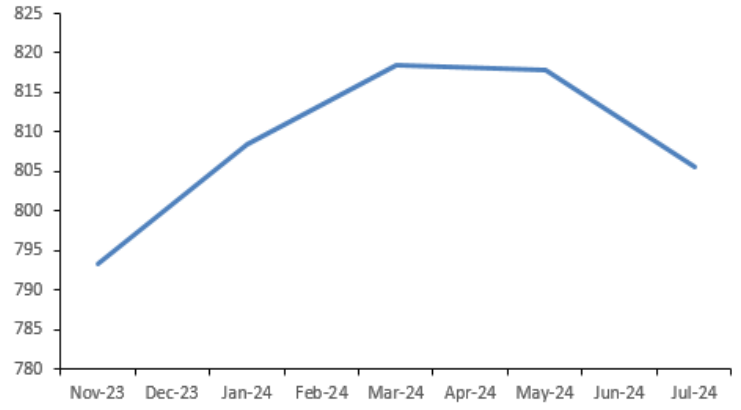
Support:

784.15 = Aug 2023 Low
 697.82 = May 2023 Low

Resistance:

951.42 = Feb 2023 High
 1,101.35 = Jul 2022 High

Futures Curve



Cotton

Last Price

USc **86.86**/LBS

ICE cotton futures fell nearly 2% on Friday and were headed for a monthly decline, as a stronger dollar and demand concerns pressured the natural fiber. Cotton contract for December [CTZ3](#) fell 1.61 cents, or 1.8%, to 87.1 cents per lb by 1:15 p.m. EDT (1715 GMT). The contract is down 0.8% for the month. The dollar index [.DXY](#) held steady for the day, and was headed for a monthly and quarterly rise. A stronger dollar makes cotton less attractive to overseas buyers. Brazil is on track for [record cotton shipments](#) in the 2023/24 commercial year, an exporter group said, citing a large crop and likely record sales in September.



Technical:

Cotton down nearly 2% on demand woes. Next level to watch 90.00.

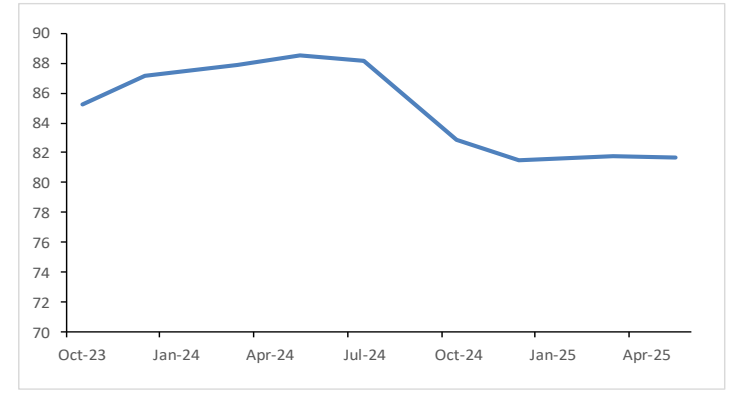
Support:

72.00 = Nov 2022 Low
63.01 = Sep 2020 Low

Resistance:

90.85 = Jul 2022 Low
96.14 = Oct 2022 High

Futures Curve

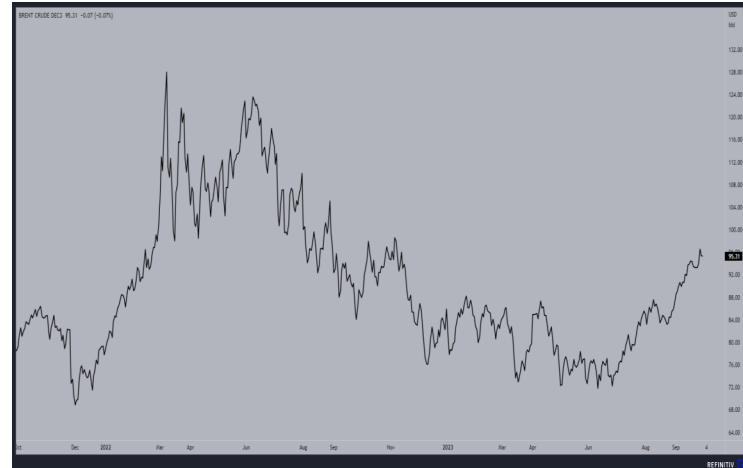


Brent Crude

Last Price

USD **95.31**/BBL

Oil prices settled 1% lower on Friday due to macroeconomic concerns and profit taking, but rose about 30% in the quarter as OPEC+ production cuts squeezed global crude supply. Front-month Brent November futures [LCOC1](#) settled down 7 cents to \$95.31 per barrel at the contract's expiry, up about 2.2% in the weekend and 27% in the third quarter. The more liquid Brent December contract [LCOC2](#) was settled down 90 cents to \$92.20 per barrel. U.S. West Texas Intermediate crude (WTI) [CLc1](#) settled down 92 cents to \$90.97, up 1% in the week and 29% in the quarter. With oil futures inching closer to \$100 a barrel, many investors took profits on the rally given ongoing macroeconomic concerns. The U.S. oil and gas rig count, an early indicator of future output, [fell by seven to 623](#) in the week to Sept. 29, the lowest since February 2022.



Technical:

Oil settles lower but ends quarter up 28% on tight global supply, next level to watch 99.56.

Support:

91.70 = Jan 2022 High

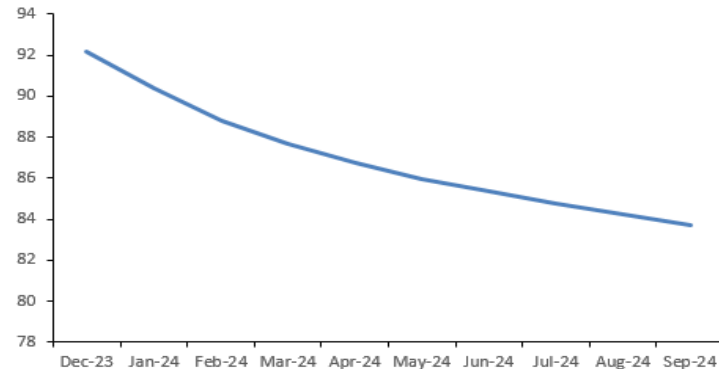
70.42 = Sep 2021 Low

Resistance:

99.56 = Nov 2022 High

105.79 = Feb 2022 High

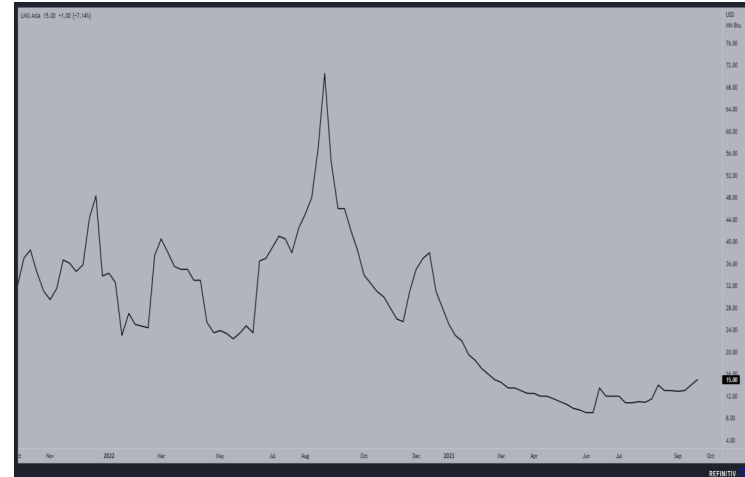
Futures Curve



LNG

Asian spot liquefied natural gas (LNG) prices rose for a third week, gaining \$1 to a seven-month high, amid increased demand in Asia and supply concerns in Europe. The average LNG price for November delivery into north-east Asia [LNG-AS](#) rose to \$15 per million British thermal units (mmBtu), up from \$14 the previous week. Europe gas prices rose to multi-week highs at the start of the week after an extension to Norwegian maintenance outages. Prices later on eased as some maintenance outages ended, though there were revisions in the maintenance schedule for October. On LNG freight, spot rates fell this week, particularly in the Atlantic Basin where a narrowing of the contango between October and November closed floating storage opportunities and freeing up prompt vessels.

Last Price

USD **15.00**/MMBTU

Technical:

Asian spot prices hit 7-month high on rising demand, Europe supply worries. Next level to watch 15.50.

Support:

12.50 = Apr 2023 High

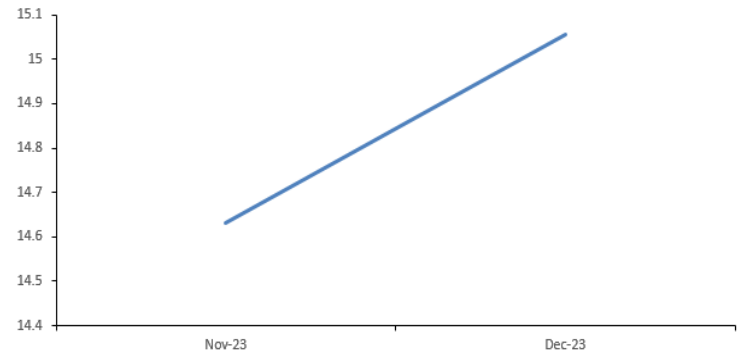
11.00 = May 2023 High

Resistance:

15.50 = Aug 2021 Low

18.50 = Feb 2023 High

Futures Curve



Steel (HRC)

Iron ore futures rose on Thursday, helped by higher hot metal output data, even as traders preferred to take a watchful stance ahead of the upcoming holiday break starting from Sept. 29 in top consumer China. The most-traded January iron ore on China's Dalian Commodity Exchange (DCE) [DCIOcv1](#) ended daytime trading 0.89% higher to 852 yuan (\$116.66) a metric ton. The benchmark October iron ore [SZZFV3](#) on the Singapore Exchange was up 0.77% at \$117.45 a ton. Steel benchmarks on the Shanghai Futures Exchange were mixed. Rebar [SRBcv1](#) ticked up 0.16%, hot-rolled coil [SHHCcv1](#) rose 0.72% while wire rod [SWRcv1](#) fell 5.5% and stainless steel [SHSScv1](#) edged down 0.24%.

Technical:

Iron ore climbs on hot metal output data ahead of China holiday break. Next level to watch 790.00.

Support:

650.00 = Dec 2022 Low

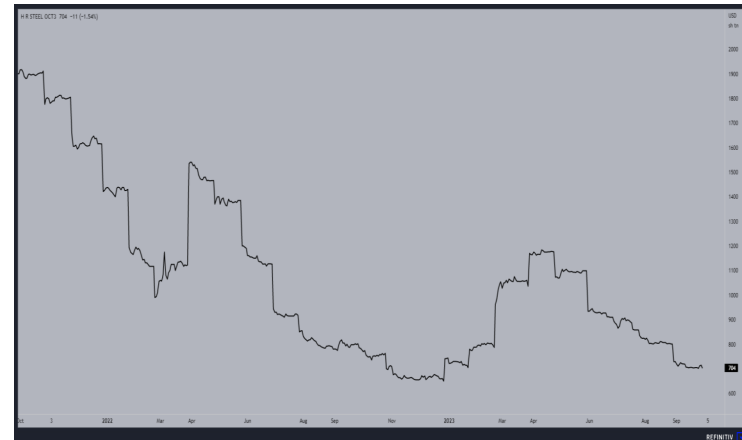
620.00 = Sep 2020 High

Resistance:

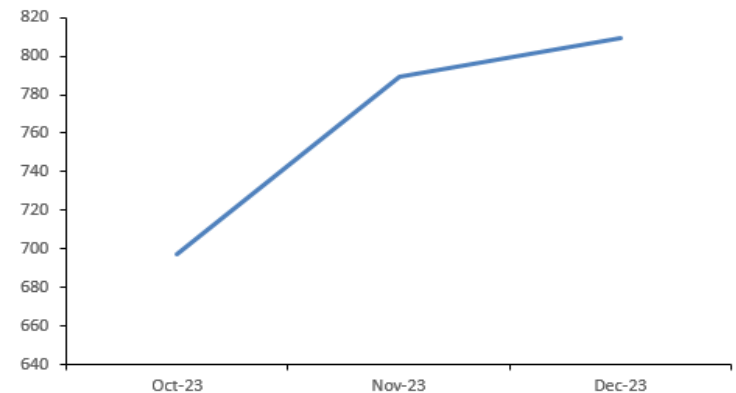
790.00 = Jan 2023 High

930.00 = Jul 2022 High

Last Price USD **704.00**/ tons



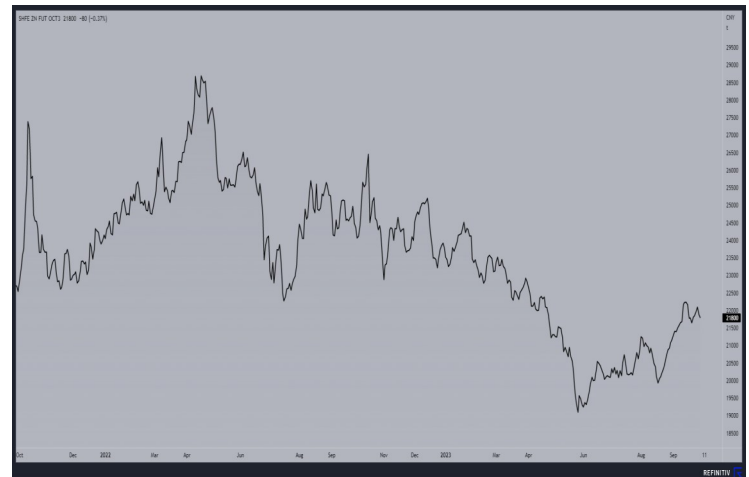
Futures Curve of SHFE Steel Futures



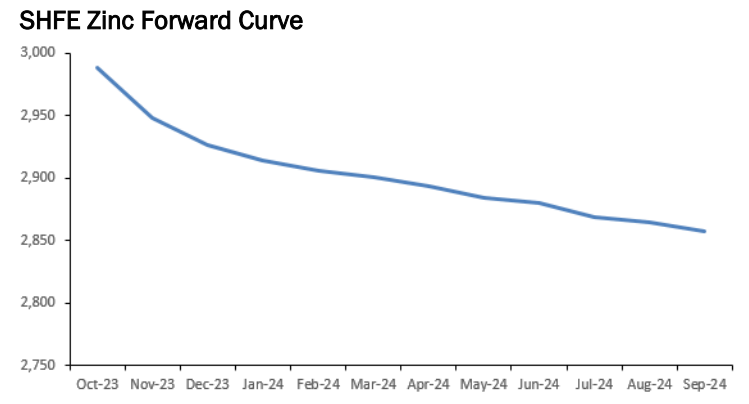
SHFE Zinc

Last Price USD **2,988.14**/Tons

The most active SHFE 2311 zinc contract prices opened at 21520 yuan/mt. At the beginning of the trading, short positions were reduced. It finally closed down at 21,435 yuan/mt, down 155 yuan/mt, or 0.72%. The trading volume reached 68,900 lots, and the open interest reached 116,000 lots. SHFE zinc prices will move at lows as investors are cautious ahead of holidays.



Technical:
 SHFE Zinc falls slightly ahead of holidays, next level to watch 3,182.18.
Support:
 2,634.51 = Aug 2020 Low
 2,610.00 = Jan 2020 High
Resistance:
 3,182.18 = Jun 2021 High
 3,291.42 = Jul 2021 High



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